



# Investigative Report: Hiring and Payment of 2017-2018 Mayoral Transition Team

**Ethics Office  
City Auditor's Office**

**November 13, 2019**

# Reason for Investigation

- City Council passed **Resolution 19-R-3366** requesting that the City Auditor and Ethics Officer conduct an independent review of personnel transactions that authorized the hiring and payment of campaign staff during the **2017-2018 mayoral transition**.

# Objectives

- Identify how the personnel transactions were processed
- Determine whether airport revenue was diverted and who authorized the use of airport revenue funds
- Identify what if any controls failed
- Determine whether any other ethical concerns should be raised

# Scope and Methodology

- The city auditor and ethics officer agreed to conduct the investigation without seeking outside legal advice or drawing conclusions regarding the legality of the personnel transactions.

# Findings Overview

We found evidence indicating the following:

- Transition team employees' human resources files were incomplete; some pre-employment steps not completed;
- Six transition team employees were paid prior to city employment;
- The city attempted to issue "sign on bonus" checks to the transition team employees without tax or other deductions;

# Findings Overview (cont.)

- The employees appeared to be put in placeholder positions to meet salary demands;
- Airport funds were used to pay one employee, and were paid back by the general fund;
- An additional employee was paid from funds from departments in which he was not assigned to work, including from the city's solid waste fund; and
- The city has no formal policies or procedures for onboarding transition team staff.

# Personnel Files Lacked Key Documents

- Files for all eight employees included:
  - employee ethics pledges, signed statements explaining that the jobs were not covered by social security, and signed acceptances of unclassified positions
  - TADs ( Not signed by the department head or by the HR commissioner)
- Files for seven of eight employees files lacked written authorizations to fill the positions, employee applications, authorizations to complete background checks, and employment eligibility verification forms
- Files for only three employees contained signed offer letters
- Files for all eight employees lacked evidence of background checks or physicals  
**(*investigation confirmed background checks and physicals were completed for all employees*)**

# Six Employees Were Paid Prior to Employment

- City processed off-cycle checks to pay six transition team employees retroactively from **December 14, 2017- December 27, 2017.**
- Prior to issuing off-cycle checks, the city attempted to issue lump sum “sign on bonus” checks to the transition team employees, without tax or other deductions.
  - checks totaled \$25,534-\$10,534 to be paid to the chief of staff



# Employees Appeared to Be in Placeholder Positions to Meet Salary Demands

- Six of the employees were initially recorded on a handwritten note provided to the former human resources commissioner.
- Four of the six candidates were placed in positions receiving salary noted on the handwritten list.
- Personnel files contain no documentation to indicate that the Department of Human Resources reviewed qualifications of the candidates to ensure they were qualified for the positions in which they were placed.

## Two Employees Were Paid from Restricted Funds in Departments in Which They Never Worked

- The chief of staff was initially placed in an aviation general manager position at the airport and paid \$22,638.87 in salary from airport funds between December 14, 2017 and January 10, 2018.
  - funds were reimbursed back to the aviation fund from the city's general fund in February 2019
  - Another employee was initially hired as a community affairs coordinator in the Department of Public Works with a start date of December 14, 2017, and a starting salary of \$60,000
  - the employee was paid \$2,300 from the solid waste fund

# City Has No Formal Policies or Procedures for Onboarding Transition Team Staff

- During Mayor Bottoms' transition period, some former mayoral appointees still occupied the positions in which the transition staff were to be placed.
- The Mayor introduced Ordinance No. 19-O-1190 in March 2019, which would provide up to \$100,000 for transition and inauguration services.

## Next Steps

- The City Council should consider working with the Department of Human Resources and the Department of Law to ensure that hiring of staff for future mayoral transitions complies with the city's **existing procedures**. Consideration should be given to:
  - **Developing specific policies and procedures** for hiring mayoral transition staff that are consistent with current procedures for hiring all other employees.
  - **Requiring the repayment of solid waste funds** that were paid to an employee who did not work in the Department of Public Works.
  - **Deliberating Ordinance No. 19-O-1190** to determine whether funds should be allocated specifically for hiring transition team employees.

# Questions?

Full Report:

<http://www.atlaudit.org/audit-reports.html>

